

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. DEPARTMENT OF TRANSPORTATION

CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF

CABRILLO PORT LIQUEFIED NATURAL

GAS DEEPWATER PORT

CAFETORIUM

WEBSTER ELEMENTARY SCHOOL

3602 WINTER CANYON

MALIBU, CALIFORNIA

WEDNESDAY, DECEMBER 1, 2004

7:04 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

Lewis Michaelson, Hearing Moderator
Katz & Associates, Inc.

Mark Prescott, Chief, Deepwater Port Standard Division,
U.S. Coast Guard Headquarters

Michael Ferris, Director, Office of Financial and
Rate Approvals, U.S. Department of Transportation

Cy R. Oggins, Staff Environmental Scientist
State Lands Commission

Cheryl Karpowicz, AICP, Ecology & Environment, Inc.
International Specialists in the Environment

Andrew J. Wolford, Sc.D., President,
A.J. Wolford & Associates

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

I N D E X

	Page	
PANEL COMMENTS		
Mark Prescott, Chief, Deepwater Port Standard Division U.S. Coast Guard Headquarters	1	
Michael Ferris, Director, Office of Financial & Rate Approvals, U.S. Department of Transportation	7	
Cy Oggins, Staff Environmental Scientist, State Lands Commission	9	
Cheryl Karpowicz, AICP, Ecology & Environment, Inc. International Specialists in the Environment	10	
Andrew J. Wolford, Sc.D., President, AJ Wolford & Associates	14	
PUBLIC COMMENTS		COMMENTERS
Andy Stern, Mayor Pro Tem, Malibu	19	1
Raneika Brooks-McClain, City Planner, City of Malibu	21	2
John Olsen, Counsel General, Australia	23	3
Jim Woolway, Retired Naval Officer, Retired Merchant Marine Officer	26	4
Sharon O'Rourke, Public Affairs Manager, Southern California Gas Company	28	5
Saul Janson, Citizen	30	6
Gerard Reyes, Citizen	32	7
Chester Wasko, Jr., Citizen	33	8
George Minter, on behalf of Ed Begley, Jr.	34	9
Andy Finan, Resident of Silver Strand Beach	38	10
Vickie Finan, Beacon Foundation	39	11
Chance Hardy, Citizen	41	12

I N D E X

	Page	COMMENTERS (cont'd)
PUBLIC COMMENTS (CONT.)		
Ozzie Silna, Board Member, California Coastal Protection Network	41	13
Alicia Finigan, Attorney, Environmental Defense Center On Behalf of California Coastal Protection Network	44	14
Luis Montoya, Environmental Defense Center	47	15
Linda Krop, Chief Counsel, Environmental Defense Center	50	16
Peter Torrell, Citizen	53	17
Bob Hattoy, Citizen, California Fish and Game Commission	53	18
Valerie Dunwoody, Citizen	57	19
Kraig Hill, Malibu Citizen	57	20
Alan Sanders, Sierra Club, Los Padres Chapter	60	21
Anne Hoffman, Property Rights Activist, Malibu Resident	61	22
Aviva Rosenthal, Citizen	63	23
Pamela S. Meidell, Board Member, Earth Waves Foundation	64	24
Peter Schneider, Citizen	67	25
Joseph Vana, Malibu Citizen	69	26
Karine Adalian, Oxnard Citizen	70	27
Kelly Meyer, Citizen	73	28
Neal Michaelis, Citizen	74	29
Elizabeth Anthony, Malibu Resident, Public Safety Commissioner	76	30
Hayden Riley, Oxnard Resident	77	31

I N D E X

	Page	COMMENTERS (cont'd)
PUBLIC COMMENTS (CONT.)		
Barry Haldeman, Malibu Resident	79	32
Atossa Soltani, Malibu Resident, Executive Director Amazon	80	33
Tim Riley, Citizen	83	33
Atossa Soltani, Malibu Resident, Executive Director Amazon	87	34
<u>Damusa Larsen</u>		35
Andy Stern, Mayor Pro Tem, Malibu	90	36
Karine Adalian, Oxnard Resident	91	37
Nancy Hastings, Citizen	94	38
Adjournment	97	39
Certificate of Reporter	98	

P R O C E E D I N G S

1
2 MODERATOR MICHAELSON: Good evening, everyone, and
3 welcome to the Cabrillo Port Liquefied Natural Gas Deepwater
4 Port draft Environmental Impact Statement/Environmental
5 Impact Report. I'm very happy you could join us this
6 evening.

7 My name is Lewis Michaelson, and I've been hired
8 by the State and the federal government's agencies, who are
9 represented here tonight, to serve as a neutral moderator,
10 to take public comment from you.

11 The meeting will begin with about 20 minutes of
12 overview presentations from the representatives, here, just
13 to give you an idea about the nature of the project and the
14 document, itself, that you are being asked to comment on,
15 tonight, as well as where the decision-making process is in
16 terms of its milestones and schedules.

17 This is the fourth of four hearings. They've been
18 very successful to date. We've had a total of 146 people
19 take advantage of public comment, at three previous public
20 hearings, as well as several hours of open houses to answer
21 any questions that you might have. So welcome.

22 And I'll now turn it over to Mark Prescott.

23 MR. PRESCOTT: Good evening. Can you hear me?

24 Good evening, ladies and gentlemen, welcome to
25 this meeting, providing you with an opportunity to present

1 your comments on the draft Environmental Impact
2 Statement/Environmental Impact Report that has been
3 developed for the federal and State governments to analyze
4 the Cabrillo Port application for a license to own and
5 operate a natural gas deepwater port off the Coast of
6 California.

7 This meeting was announced in the Federal Register
8 on November 5th, 2004, as well as in local newspapers.

9 My name is Mark Prescott. I am the Chief of the
10 Deepwater Port Standards Division at U.S. Coast Guard
11 Headquarters.

12 Accompanying me are Mr. Michael Ferris, of the
13 Maritime Administration, and Mr. Cy Oggins, from the
14 California State Lands Commission. In a few moments they
15 will provide you with a short overview of their agency's
16 responsibilities regarding this deepwater port application.

17 First, I'd like to give you a brief overview of
18 the general process and the role of the Coast Guard.

19 As background, in 1974 Congress passed the
20 Deepwater Ports Act to license and regulate deepwater ports
21 for the handling of oil. Under that Act, the Secretary of
22 Transportation is responsible for issuing or denying a
23 license.

24 The Secretary of Transportation delegated the
25 processing of deepwater port applications to the Coast Guard

1 and the Maritime Administration.

2 And earlier this year, the Secretary further
3 delegated responsibility for issuing or denying a license to
4 the Maritime Administrator.

5 Over the past 30 years, only one deepwater port
6 has operated in the U.S. That's the Louisiana Offshore Oil
7 Port, off the Coast of Louisiana.

8 In November 2002, Congress passed the Maritime
9 Transportation Security Act, which amended the Deepwater
10 Ports Act by expanding its application to natural gas.

11 In the two years since the passage of that Act,
12 the Coast Guard and the Maritime Administration have
13 received eight applications for natural gas deepwater ports.

14 One of those applications was submitted September
15 3rd, 2003, by BHP Billiton LNG International, to own,
16 construct, and operate a natural gas deepwater port
17 approximately 14 miles off the Coast of Ventura County.

18 The law requires the Coast Guard and Maritime
19 Administration to determine that an application contains the
20 required information, and on January 27th, 2004 we published
21 a notice in the Federal Register stating that we had
22 received the Cabrillo Port application and that it appeared
23 to contain the required information.

24 In order to issue a license, the Act states that
25 the Secretary of Transportation must find that the applicant

1 is financially responsible, can and will comply with
2 applicable laws and regulations, that construction of the
3 deepwater port is in the national interest.

4 In addition, a deepwater port must not interfere
5 with international navigation or other reasonable uses of
6 the high seas, and the construction of the port must
7 represent the best available technology, to minimize adverse
8 impacts on the environment.

9 In order to carry out these requirements, the
10 Coast Guard determined that an Environmental Impact
11 Statement must be prepared in accordance with the National
12 Environmental Policy Act, or NEPA.

13 In addition, the proposed project would require a
14 land lease from the California State Lands Commission. As a
15 result, the proposed deepwater port must comply with the
16 California Environmental Quality Act, or CEQA, which
17 requires the preparation of an Environmental Impact Report.

18 The Coast Guard and the California State Lands
19 Commission decided to prepare a single Environmental Impact
20 Statement/Environmental Impact Report, as agreed to in our
21 memorandum of understanding between the agencies.

22 One other criterion is that the Governor of the
23 adjacent coastal state must approve of the project.

24 On February 27th, 2004 a notice of intent/notice
25 of preparation to prepare an EIS/EIR for this project, and

1 notice of public meetings was published.

2 March 15th and March 16th we held public scoping
3 meetings in both Oxnard and Malibu. Those meetings were
4 widely attended and provided us with numerous comments, that
5 were addressed in the draft EIS/EIR.

6 Following those meetings, we temporarily suspended
7 the statutory clock for processing the application for
8 approximately 150 days, to obtain and analyze additional
9 data.

10 Some of that additional data, the need for that,
11 was a direct result of comments received at the scoping
12 meetings. A specific example was the development and
13 analysis of a new, onshore pipeline alternative in Oxnard.

14 I would like to emphasis that this meeting is not
15 the only opportunity to provide your comments on the draft
16 EIS/EIR. If you would like to provide written comments on
17 this Environmental Document, they should be received by
18 December 20th, of this year, and instructions for submitting
19 comments are available on the table in the rear of the room.

20 In addition, as required by the Deepwater Ports
21 Act, the Coast Guard and Maritime Administration will hold
22 another public hearing in California, to receive comments on
23 the application, itself, for consideration in developing the
24 record of decision for the Cabrillo Port application.

25 With that as a bit of background, I would like to

1 give you more detail on the Coast Guard's responsibilities,
2 and then allow my colleagues to describe the role of their
3 agencies.

4 As I mentioned, the Maritime Administrator will
5 ultimately decide, from the federal standpoint, whether or
6 not to grant a license for this proposed deepwater port.

7 The Coast Guard has the lead, though, in a
8 significant amount of the input necessary for that decision.
9 Specifically, we're the lead federal agency for the
10 development of the Environmental Impact Statement.

11 In carrying out this responsibility, we sought
12 input from the public and several other federal agencies.

13 In the case of this application, we are working
14 closely with the State of California.

15 And I would like to stress that in processing
16 this, or any deepwater port application, the Coast Guard is
17 neither a proponent, nor an opponent, of any project.

18 In addition to the requirements for environmental
19 review with the State, the Coast Guard has a number of other
20 areas that it's responsible for. These include the
21 evaluation of the proposed engineering standards, and the
22 operations manual, and security plans.

23 In addition, the Coast Guard District Office, and
24 local Captain of the Port, will be directly involved in
25 developing waterways management plans, operations, and

1 security requirements.

2 The Coast Guard is also responsible for ensuring
3 that any vessel, calling on a U.S. port, is in compliance
4 with various U.S. laws and regulations, and international
5 standards for design, construction, operation, and security
6 of the vessel.

7 At this time, I'm going to have Mr. Mike Ferris,
8 from the Maritime Administration, describe the role of the
9 Maritime Administration.

10 MR. FERRIS: Thanks, Mark.

11 Good evening, my name is Michael Ferris, and I'm
12 representing the Maritime Administration at this meeting.

13 Together, with the U.S. Coast Guard, the Secretary
14 of Transportation has charged us with processing deepwater
15 port applications for the federal government.

16 Further, the Secretary's placed the responsibility
17 for issuing or denying deepwater port licenses with the
18 Maritime Administration.

19 The Environmental Impact Statement is a major and
20 important step in the deepwater port application process.

21 Early on in this process, a series of meetings
22 were held here, in California, where you expressed your
23 concerns and provided areas of interest to be addressed in
24 the joint Environmental Impact Statement/Environmental
25 Impact Report.

1 Cheryl Karpowicz, and the staff at E&E, along with
2 many staff members from involved federal, State, and local
3 agencies, worked hard to produce a comprehensive document
4 addressing your concerns. And I want to thank everyone who
5 put this draft together.

6 But we are not done, yet. We are back, now, to
7 see how we can make this a better document. Your comments
8 will help us do just that, and are greatly appreciated.

9 Where do we go from here? We're going to take
10 your comments, concerning Cabrillo Port, made here and those
11 written, which can be made through December 20th, and try to
12 make a better, more comprehensive environmental document.

13 After the final environmental document is
14 completed, and published, the federal government and State
15 government will go through their own separate hearing and
16 review processes.

17 MODERATOR MICHAELSON: I'm sorry, Mr. Ferris, a
18 lot of people are having trouble hearing you because the
19 heater kicked on. So if you could speak more loudly into
20 the microphone, I'd appreciate it.

21 MR. FERRIS: The Maritime Administration, and the
22 U.S. Coast Guard, will hold public hearings next year, and
23 take comments from all concerned for up to 45 days after the
24 final public hearing.

25 After this comment period, the Maritime

1 Administration will make a decision within 45 days of the
2 close of comments.

3 The decision will be to issue a license, reject
4 the application, or issue a license subject to conditions.

5 The decision will be reflected in a record of
6 decision, and followed by a license, should the application
7 be accepted.

8 Any conditions in an accepted application would be
9 reflected in the record of decision and the license.

10 Thank you for your interest and comments.

11 MR. OGGINS: Good evening. My name is Cy Oggins
12 and I am a Staff Environmental Scientist and Project Manager
13 with the California State Lands Commission.

14 The State Lands Commission has two significant
15 roles with respect to the proposed project.

16 First, we have received an application, from BHP
17 Billiton, to use State lands offshore California, to place
18 two natural gas pipelines associated with the proposed
19 project.

20 Second, the State Lands Commission has been
21 designated as the lead agency, under the California
22 Environmental Quality Act, or CEQA, and we are responsible
23 for preparing the Environmental Impact Report pursuant to
24 the California Environmental Quality Act.

25 We are doing this, as stated earlier, jointly with

1 the U.S. Coast Guard and the U.S. Maritime Administration.

2 Under the CEQA, the State Lands Commission, at a
3 separate, noticed public hearing, will make a determination
4 as to whether or not the Environmental Impact Report is
5 adequate.

6 Should the Commission certify the Environmental
7 Impact Report, the Commission would then consider whether to
8 approve or to deny BHP Billiton's application for a lease of
9 State lands.

10 The purpose of tonight's meeting is for the staffs
11 of the State Land Commission, the Coast Guard, and the
12 Maritime Administration to hear everyone's comments on the
13 draft environmental document.

14 No action by the State Lands Commission will occur
15 tonight, nor will any action be taken until a final
16 environmental document is issued, and that will occur
17 sometime next year.

18 So thank you for taking the time, tonight, to
19 provide us with your comments.

20 I'm now turning it over to Cheryl Karpowicz, who
21 is the -- with Ecology & Environment.

22 MS. KARPOWICZ: Thank you, Cy.

23 The California State Lands Commission and the U.S.
24 Coast Guard have hired Ecology & Environment, Incorporated,
25 to assist them in preparing an independent, third party

1 Environmental Impact Statement/Environmental Impact report.

2 Our contract --

3 MODERATOR MICHAELSON: Ms. Karpowicz, I'm sorry to
4 interrupt you, but I see there are a lot of people standing
5 back there and they were about to get out more chairs.
6 There are actually a lot of seats in the front rows, if
7 people would like to come seat themselves. They're always
8 the last to fill up. So if you're looking for a chair,
9 there are quite a few in the first couple of rows.

10 So why don't we just hold off for just a minute
11 and let people take their seats. This is like a Southwest
12 Airlines, if you see an empty seat, it's yours.

13 (Thereupon people took their seats.)

14 MODERATOR MICHAELSON: I believe that should be
15 enough chairs. Again, we have still many empty seats in the
16 front rows. Why don't we wait until they open the chairs
17 there.

18 Thank you for your patience. Okay, Ms. Karpowicz.

19 MS. KARPOWICZ: Our contract is with the
20 California State Lands Commission, and we are working
21 directly for Cy Oggins and Mark Prescott.

22 Our job has been to independently verify the
23 information that's been submitted by BHP Billiton, to
24 analyze alternatives and potential impacts, and to assist
25 the Coast Guard and the Lands Commission to prepare the

1 document for public review and comment.

2 This slide shows the basic steps in the
3 environmental review process. We started with public
4 notification and scoping last winter.

5 In all, about 305 people participated in the open
6 houses and the public scoping meetings, and we received 200
7 letters, e-mails, and other comments. Thank you for your
8 participation.

9 In addition, as part of the independent risk
10 assessment, we held a one-day security workshop, and a
11 three-day safety workshop, which were attended by many
12 local, State, and federal agencies, as well as the project
13 technical team.

14 During scoping, we also received several requests
15 to translate the document into Spanish, which we did.

16 This is where we are right now, in the middle of
17 the process. We've prepared and distributed the EIS/EIR.
18 Tonight, we look forward to your comments regarding the
19 draft EIS/EIR. We will respond to all comments in the final
20 EIS/EIR, which we plan to publish and distribute during the
21 winter of 2005.

22 Here is a map of the proposed project location in
23 the region. The deepwater port would be located about 14
24 miles offshore, at the closest point to land. This is the
25 only place where LNG would be handled.

1 Onshore, a metering station, and other facilities
2 would be built, and underground pipelines would transport
3 natural gas through Oxnard, and/or Ventura County, and in
4 Santa Clarita, to the Southern California Gas System.

5 Here is a map showing the regional context. And
6 this graphic shows the location of the offshore LNG port,
7 the offshore natural gas pipelines, and the onshore natural
8 gas pipelines.

9 One of our jobs, in preparing the Environmental
10 Impact Statement/Environmental Impact Report, is to analyze
11 both the proposed project and a range of alternatives.

12 The alternatives we examined are shown on this
13 map, and include the no-action alternative, an alternative
14 port location, alternative shore crossings, two alternatives
15 to the Center Road pipeline, which have changed since the
16 scoping meeting, and an alternative to the Santa Clarita
17 pipeline.

18 We evaluated a broad range of environmental issues
19 and resources for analysis, as contained in the EIS/EIR. In
20 all, we identified 118 potential impacts, and over 200
21 mitigation measures.

22 We determined that eight impacts would remain
23 significant after mitigation.

24 Now, I'd like to ask Dr. Andy Wolford to talk
25 about the independent risk assessment that the project team

1 prepared to help us evaluation the public safety aspects of
2 the proposed project.

3 DR. WOLFORD: Thank you, Cheryl.

4 Ecology & Environment subcontracted AJ Wolford &
5 Associates to conduct an independent risk assessment. The
6 results of this study are found in Section 4.2 of the draft
7 EIS/EIR.

8 This diagram, behind me, shows the risk assessment
9 process and how it's interfaced with the preparation of the
10 draft EIS/EIR. I will describe the major components of the
11 risk assessment from top to bottom.

12 First, an independent risk assessment team was
13 formed, that had technical professionals with expertise in
14 marine operations, LNG facility design, risk analysis, risk
15 communication, safety, security, computational fluid
16 dynamics, and structural engineering.

17 The risk assessment team familiarized themselves
18 with the proposed system design and operating data, as
19 provided by the applicant.

20 The accident record for the LNG industry, and the
21 hazards of LNG, as presented by the proposed project, were
22 reviewed.

23 Accident and security scenarios, that could lead
24 to a release of LNG, were identified based on public scoping
25 comments, two intensive workshops, an independent review of

1 the applicant's conceptual design, operating procedures, and
2 an independent review of the applicant's confidential
3 security plan and emergency procedures.

4 Oceanographic and meteorology experts collected
5 and summarized site-specific weather and ocean conditions
6 for the proposed offshore location, as these related to
7 accident scenarios.

8 Marine operations and risk analysts collected and
9 analyzed marine traffic, numbers and patterns, to identify
10 the types and tonnage of vessels transiting waters near the
11 proposed FSRU location.

12 Scenarios were screened that would not result in
13 impacts outside the immediate vicinity of the FSRU, or were
14 too unlikely to occur.

15 State-of-the-art computer modeling was performed
16 to determine the extent, timing, and location of LNG and
17 natural gas released.

18 And parallel with this, marine and risk
19 specialists developed estimated frequencies for ship
20 collisions.

21 Finally, the frequency estimates and consequence
22 calculations were combined to estimate the risks posed by
23 the proposed project.

24 Now, I'd like to turn the microphone back to
25 Mark Prescott to conclude the team presentations.

1 MR. PRESCOTT: Thank you. At this time we'd like
2 to hear comments from people who have signed up.

3 I'm going to let Mr. Lewis Michaelson describe the
4 process for receiving comments. Thank you.

5 MODERATOR MICHAELSON: All right, now it's your
6 turn. I have about 20 cards that have been turned into me
7 so far, and based upon the three-minute time limit, it looks
8 pretty clear that we will have some extra time.

9 So when we had that in Santa Clarita, what we had
10 the opportunity to do was to go back, after everyone had had
11 their first term, and have what we call, technically,
12 "second helpings." So, hopefully, if you want to take
13 advantage of that, you can keep that in mind.

14 We call on people in a particular order that was
15 established. First, elected officials, then representatives
16 of other public agencies, followed by individuals or groups,
17 in the order in which you signed up to speak.

18 What I'll do, as we go through the list, is I'll
19 call out four, or five, six names, depending, and as I call
20 out your name, if you would come take a seat over in this
21 row, over to my left here, to your right, that way we can
22 get everyone up there and we can move people efficiently up
23 to the microphone, when it's your turn.

24 If you would identify yourself by your name, and
25 affiliation, at the beginning of your comment, I'd

1 appreciate it.

2 There is a court reporter seated to my right, at
3 the end of this table. He is making sure that a verbatim
4 transcript of everything that is said can be captured and
5 reproduced for all the people who will review your comments.
6 So it's important that you come to the microphone and speak
7 clearly into it, so that he can capture your comments.

8 One thing to keep in mind is that oral comments is
9 only one way to comment on this draft document. You can
10 also provide written comments, of any length that you
11 choose. And this is a good option if you have very detailed
12 comments or, if you are like a majority of Americans, who
13 are deathly afraid of public speaking, it's also a very good
14 option, as well.

15 And those written comments are given the same
16 consideration as any oral comments offered here, at the
17 hearing. So it is definitely not a second class way to do
18 it, it's just as good.

19 As I mentioned, there will be a three-minute time
20 limit, and I have a very simple and low-tech way of helping
21 you with that. When you've been speaking for two minutes,
22 I'll put up an index finger, meaning you have one minute
23 left. And when your three minutes is up, I'll put up a
24 closed hand, such as this.

25 So it's important to look at me, occasionally, so

1 I can kind of give you your hints about your time. I know
2 that's particularly difficult if you're reading from a
3 written comment, but if you can just look up once in a
4 while, that way I won't have to abruptly let you know that
5 your time is up.

6 And the only other ground rule that we have is
7 that speaking times may not be combined.

8 Finally, it's really worth probably reiterating
9 that no decision is being made tonight. This is a draft
10 document that still has to be finalized and go through other
11 steps in the decision-making process.

12 The main purpose of the people that you see up
13 here in front of you today, tonight, this evening, is to
14 listen firsthand to your comments and to make sure that they
15 understand them fully.

16 I know many of you feel very strongly about the
17 issues that are going to be discussed here, tonight, and
18 that's why you're here and we applaud you for being here.
19 That means you may hear views that you disagree with.

20 What I ask is that you show the same respect and
21 civility to every speaker, regardless of whether they're
22 saying something you agree with, or disagree with, so that
23 everyone can feel comfortable offering their comments
24 tonight.

25 And that means please refrain from any expressions